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June 1, 2000

Via Messenger Delivery

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Office of Regional Counsel
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227572

**Re: *Approximately 2.2 Acre parcel of unimproved land located at the
northwest corner of Grand Avenue and McClurg Court, Chicago, Illinois***

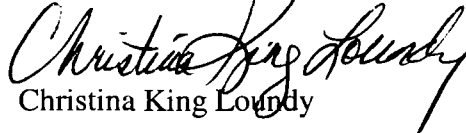
Dear Mary:

In response to your request at our meeting yesterday for copies of the additional environmental assessments performed by the prospective purchaser of the above-referenced site (the "Property"), I am enclosing copies of the following documents relating to the Property: (1) Preliminary Environmental Review dated March 8, 2000 prepared by GaiaTech Incorporated ("GaiaTech"); and (2) Phase II Soil and Groundwater Investigation dated May 11, 2000 prepared by GaiaTech. Please note that we do not have a copy of the appendices to the Preliminary Environmental Review, so they are not enclosed.

Please feel free to call me if you have any questions concerning these documents.

Very truly yours,

PIPER MARBURY RUDNICK & WOLFE


Christina King Loundy

CKL/da

cc: Terry A. McKay (via facsimile)
 Thomas J. Pabian (via facsimile)
 Steven L. Loren, Esq.
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PRELIMINARY ENVIRONMENTAL REVIEW

**2.2-Acre Property
Southwest Corner of Ohio Street and McClurg Court
Chicago, Illinois**

Prepared For:

**Golub & Company
Chicago, Illinois**

Prepared By:

**GaiaTech Incorporated
Chicago, Illinois**

March 8, 2000

Project No. 4917-610-0

LIST OF APPENDICES

- Appendix A Site Diagrams and Related Maps
 - Site Location Map
 - Soil Boring Location Map
- Appendix B Site Photographs
- Appendix C Historical Fire Insurance Maps
- Appendix D Aerial Photographs
- Appendix E Prior Environmental Reports (text only)
- Appendix F Environmental Database Search Report

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	I
1.0 INTRODUCTION.....	1
1.1 Purpose	1
1.2 Scope of Work	1
1.3 Limitations and Exceptions of Assessment	2
2.0 SITE CHARACTERISTICS.....	4
2.1 Site Location	4
2.2 Site Description.....	4
a) Site Ownership.....	4
b) Current Use of the Site.....	4
c) Structures, Improvements and Other Features	4
d) Topography	4
e) Utilities.....	5
f) Indications of Wetlands and Flood Hazard Potential.....	5
2.3 Adjoining Properties	5
2.4 Subsurface Conditions	6
3.0 SITE HISTORY	7
3.1 Overview	7
3.2 Historical Fire Insurance Maps	8
3.3 Aerial Photographs.....	9
3.4 Local Agency Information and Site Documentation.....	10
3.5 Prior Environmental Report	11
4.0 SITE INSPECTION	14
4.1 Raw Materials and Chemical Use and Storage.....	14
4.2 Storage Tanks	14
a) Underground Storage Tanks (USTs).....	14
b) Aboveground Storage Tanks (ASTs)	14
4.3 Solid and Special Waste	15
4.4 Wastewater Discharges	15
4.5 Storm Water Discharges	15
4.6 Air Emissions	15
4.7 Asbestos-Containing Materials (ACM)	15
4.8 Polychlorinated Biphenyls (PCBs).....	15
5.0 ENVIRONMENTAL DATABASE SEARCH AND REVIEW.....	17
6.0 FINDINGS AND CONCLUSIONS.....	21
7.0 SIGNATURES OF ENVIRONMENTAL PROFESSIONALS.....	22

EXECUTIVE SUMMARY

Golub & Company retained GaiaTech Incorporated (GaiaTech) to conduct a Preliminary Environmental Review (PER) of a 2.2-acre property (the site) located at the southwest corner of Ohio Street and McClurg Court in Chicago, Cook County, Illinois. The purpose of the PER was to investigate the environmental condition of the site, the buildings, occupied spaces and operations on site and adjacent properties; the principal environmental systems and features of the area which could be affected by or propagate the dispersal of hazardous materials on or near the site; and the historical use of the property and the likely environmental consequence of such use. GaiaTech performed the PER to constitute appropriate inquiry consistent with good commercial and customary practice.

The site is currently an inactive parking lot. The site is zoned C-3-6: *Commercial Manufacturing District* with the City of Chicago Zoning Department. The 2.2-acre site is improved with an asphalt-paved parking area and six catch basins located throughout the parking area. GaiaTech observed an area of patched pavement in the northwestern portion of the property. According to Mr. Bruce Armstrong of Golub & Company, STS Consultants Limited (STS) was hired by Golub to conduct a geotechnical investigation of the site in this area of patched pavement. At the time of the site investigation, no site vegetation was observed. No mounds, depressions, or other surface anomalies were observed within the site boundaries.

According to various historical sources detailed in the following sections, the site was a part of Lake Michigan until the late 1800s. In 1891, the site was filled and vacant. In 1908, several stockpiles of old lumber occupied the southeastern portion of the site. Between 1914 and 1948, three buildings were constructed on the site. In 1914, the Chicago Title and Trust Company building (333 East Ohio-also known as 341 East Ohio) was constructed on the northern portion of the site and was used to house numerous supply and wholesale distributors. In 1916, two buildings (351 East Ohio Street) were constructed in the northeastern portion of the site and housed shipping and receiving operations for several corporations. Other operations at 351 East Ohio in 1917 included the Podbielniak Incorporated experimental lab, manufacturing, and a machine shop. In the late 1920s and early 1930s, the 351 East Ohio building housed several printing and lithography operations and a waxed paper manufacturer. In 1948, Velsicol Chemical Corporation (Velsicol) constructed a building (330 East Grand) on the southern portion of the property for office and laboratory use.

Previous reports indicate that Velsicol operated all of the site buildings as their corporate headquarters and as research and development laboratories for herbicides, insecticides, and plant growth regulators from 1947 to 1988. However, a modified historical map indicates that Velsicol was present at the site as early as 1917. According to VISTA representatives, this

map appeared to be altered in the area of the building name and may be the result of a revision at a later date.

In 1986, Velsicol sold its business to Sandoz Crop Protection Corporation (Sandoz). Sandoz maintained operations similar to those of Velsicol until November 1988 when the entire facility was demolished. From 1988 until the late 1990s, the site was operated by the General Parking Corporation as a parking lot. Given the industrial nature of the previous operations at the site and the significant length of time of operation, there is a potential for subsurface impacts to be present from spills or releases that may have occurred. Subsurface investigations performed in the southern and eastern portions of the site did not identify any significant impacts other than from the fill materials. No subsurface investigations have been completed in the northwestern portion of the site to evaluate the potential impacts from the industrial use of the site.

The surrounding area was also a part of Lake Michigan until the late 1800s. In 1891, the surrounding area to the north and west were developed with multi-family residential buildings, and the properties to the south were developed as a foundry and a varnish factory. No additional historical information was available on the southern properties until 1968 when the properties were occupied by a parking lot. The property to the east was developed in 1911 for a book bindery operation. Between 1917 and 1950 the surrounding properties were developed for warehouses and manufacturing purposes. The property to the west was re-developed as a gasoline service station in 1950 and in 1968 it was developed as the Chicago Time Life Office Building. The area to the north was re-developed as McClurg Court Center in 1971 and the area to the east was occupied by the Rehabilitation Center of Chicago. Based on the historical presence of manufacturing activities, the gasoline service station, and the significant length of time of industrial operation at the surrounding properties, there is a potential for impact to the subject site from spills or releases that may have occurred during the historical use of the adjoining properties.

Based on the information obtained during the completion of the Phase I ESA, the following actual or potential environmental impacts or concerns were identified at the site:

- **On-Site Fill Materials:** Previous reports and historical information indicate that fill materials containing cinders and ash comprising a significant portion of the site area are present. The fill materials have not been properly characterized to date to determine the appropriate procedures for disposing of the fill properly prior to development of the site.
- **Historical Industrial Use:** Given the industrial nature of the previous operations at the site and the significant length of time of operation, there is a potential for subsurface impacts to be present from spills or releases that may have occurred.

1.0 INTRODUCTION

1.1 Purpose

Golub & Company retained GaiaTech Incorporated (GaiaTech) to conduct a Preliminary Environmental Review (PER) of a 2.2-acre property (the site) located at the southwest corner of Ohio Street and McClurg Court in Chicago, Cook County, Illinois.

The purpose of the PER was to investigate the environmental condition of the site, the buildings, occupied spaces and operations on site and adjacent properties; the principal environmental systems and features of the area which could be affected by or propagate the dispersal of hazardous materials on or near the site; and the historical use of the property and the likely environmental consequence of such use. GaiaTech performed the PER to constitute appropriate inquiry consistent with good commercial and customary practice.

1.2 Scope of Work

The PER site inspection was performed by Ms. Jessica Hebert of GaiaTech on February 17, 2000.

The PER was conducted in accordance with industry standards, including the requirements of the American Society for Testing and Materials *Standard Practice for Environmental Site Assessments - E 1527* (the ASTM Standard) and the AEW Capital Management L.P. Scope of Work. The PER included the following activities:

1. A comprehensive site inspection to identify and evaluate potential sources of environmental impact, such as underground storage tanks (USTs), aboveground storage tanks (ASTs), equipment containing polychlorinated biphenyls (PCBs), waste and chemical storage areas, wastewater and storm water discharges, and air emissions. The inspection included observations for evidence of chemical spills or releases or on-site waste disposal.
2. A review of site records and interviews with site representatives with regard to current and former site operations to identify known or potential environmental concerns.
3. A visual survey of the properties in the vicinity of the site to evaluate the potential for impact to the site from these properties.
4. A review of historical information, including verbal information from site representatives and one or more of the following (where readily available):

construction plans, zoning maps, topographic maps, historical land use maps, aerial photographs, historical directories, and prior ESAs or other environmental reports for the site.

5. A review of State and Federal environmental database information, supplemented by agency interviews and record review, where appropriate.

GaiaTech also performed the following activities in addition to those activities that comprise the ASTM scope of work:

1. A limited visual survey and review of readily available wetlands and flood plain information.
2. A limited visual survey and sampling to identify typically suspect asbestos-containing materials (ACM).

GaiaTech also reviewed the following prior environmental reports for the subject site which are discussed in Section 3.5:

- *Environmental Reconnaissance of the Sandoz-Velsicol Property, Ohio Street and McClurg Court Located in Chicago, Illinois*, prepared for I.J. Markin Financial Services, by STS Consultants Limited (STS), dated August 18, 1988 (1988 STS report).
- *Environmental Site Assessment for the Sandoz-Velsicol Parcel, Chicago, Illinois*, prepared for Bennett and Kahnweiler, by Professional Service Industries, Inc., dated August 28, 1990 (1991 PSI report).
- *Preliminary Assessment/Visual Site Inspection, General Parking Corporation (Formerly Velsicol Chemical Corporation) Chicago, Illinois*, prepared for United States Environmental Protection Agency (IEPA), by PRC Environmental Management, Inc., dated December 16, 1993 (1993 PRC report).

1.3 Limitations and Exceptions of Assessment

GaiaTech performed this PER on behalf of and exclusively for Golub & Company and AEW. This report and the findings shall not be relied upon, in whole or in part, by any other party, except by or with the express written consent of a responsible official of GaiaTech.

This assessment is subject to the stated limitations of the AEW Scope of Work, the ASTM Standard (E 1527), and other qualifications as described within the report. Any reliance upon this report by third parties beyond its intended purpose shall be at the parties' sole risk.

During this PER, GaiaTech relied upon the information provided by site owners, regulatory officials and other informed individuals. GaiaTech has assumed, where reasonable, that the information reviewed is true and accurate. GaiaTech's site observations are of the conditions observed at the time of the assessment.

The scope of this project did not include subsurface soil or groundwater sampling. Consequently, conclusions provided with regard to subsurface soil and groundwater impacts are limited to those that can be formed based on a non-intrusive investigation. The absence of environmental hazards in the subsurface cannot be guaranteed based on conditions observed on the surface.

The limited visual survey for typically suspect ACM is intended to provide an indication of the potential for significant environmental issues associated with ACM and should not be regarded as a comprehensive survey for demolition or other purposes. Testing should generally be conducted to identify regulated ACM prior to remodeling or demolition of the site structures.

The limited visual survey and review of available wetlands and flood plain information does not represent a jurisdictional wetlands delineation. A certified wetlands delineation may be necessary prior to further site development.

GaiaTech reviewed an environmental database search report. GaiaTech's conclusions based on the search report are limited to the accuracy of that report. To the extent possible, GaiaTech's field observations were used to verify the information or identify errors and inconsistencies in the search report regarding the listed facilities in the immediate vicinity of the site.

The scope of this report is limited to matters expressly covered. Implementation or use of the recommendations, findings or conclusions of this report does not preclude the potential for present or future environmental liability or ensure the fulfillment of a property owner's obligation to full environmental disclosure in accordance with any local, state or federal laws.

2.0 SITE CHARACTERISTICS

2.1 Site Location

The site is located at the southwest corner of the intersection of Ohio Street and McClurg Court, in Chicago, Cook County, Illinois. Grand Avenue borders the site to the south. Vehicle access to the site is from driveways extending from the north (Ohio Street) and south sides (Grand Avenue) of the site. The site is located in Section 10, Township 39 North, Range 14 East. A site location map is provided in Appendix A.

2.2 Site Description

a) Site Ownership

The site is owned by the Teacher's Retirement System of the State of Illinois.

b) Current Use of the Site

The site is currently an inactive parking lot. The site is zoned *C-3-6: Commercial Manufacturing District* with the City of Chicago Zoning Department.

c) Structures, Improvements and Other Features

The 2.2-acre site is improved with an asphalt-paved parking area and six catch basins located throughout the parking area. GaiaTech observed an area of patched pavement in the northwestern portion of the property. According to Mr. Bruce Armstrong of Golub & Company, STS Consultants Limited (STS) was hired by Golub to conduct a geotechnical investigation of the site in this area of patched pavement. At the time of the site investigation, no site vegetation was observed. No mounds, depressions, or other surface anomalies were observed within the site boundaries.

Photographs of the site are provided in Appendix B.

d) Topography

The United States Geological Survey (USGS) 7.5-minute topographic map of the area (Chicago Loop Quadrangle, 1993) shows that the site area and the general vicinity slope minimally to the east. The site is at an elevation of approximately 590 feet above mean sea level.

e) Utilities

No active utilities appear to be provided to the site. No evidence of previous septic systems or water wells was identified during the site inspection.

f) Indications of Wetlands and Flood Hazard Potential

According to the National Wetlands Inventory (NWI) map (Chicago Loop, Illinois; 1980) for the site area, published by the U.S. Department of the Interior, Fish and Wildlife Service, no potential wetlands are located on the site.

The flood insurance rate map (FIRM) for the area (Community Panel Number 170074 0060B, June 1, 1981), published by the Federal Emergency Management Agency (FEMA), shows the site is located in an area classified as Zone C, an area of minimal flooding.

2.3 Adjoining Properties

The site is located in a commercial and residential area of Chicago. The following is a description of adjacent and nearby properties:

North: Located adjacent to the north of the site is Ohio Street. Further north is North Bank, McClurg Court Sports Center/Tennis Club, Szechwan Restaurant, McClurg Court Cinemas, and Holiday Inn.

East: Adjacent to the east is McClurg Court. Further east is a parking lot.

South: Located adjacent to the south of the site is Grand Avenue. Further south are two construction sites (future locations of office buildings).

West: The Time Life Office Building is located west of the subject site. Further west is Fairbanks Court.

GaiaTech did not observe any evidence of outdoor chemical storage, chemical releases or waste disposal on the neighboring properties from along the boundaries of the site. No physical evidence of any impacts to the site from the adjoining properties was observed during a visual survey conducted at the time of the site inspection. GaiaTech did not observe any gas stations or dry cleaners in the immediate vicinity of the subject site at the time of the site inspection.

4 Subsurface Conditions

According to the *Surficial Geology of the Chicago Region* by H.B. Willman and J.A. Lineback (1970), the subsurface of the subject site consists of deposits of quiet-water lake sediments with localized lenses of sandy gravel. According to the *Geologic Map of Illinois* (by Willman and others, 1967), the site is underlain by Silurian-aged limestone bedrock.

Previous reports and historical information indicate that filling occurred along the lake front in the late 1800s to create land for development. The fill includes coal tar compounds from cinders and ash from Chicago Fire of 1871. According to the environmental database search, the site is located on a solid waste landfill comprised mostly of the above-mentioned fill (further discussed in Section 5.0).

Shallow groundwater flow typically mimics the surface topography and flows towards the nearest body of water. Based upon surface topography, shallow groundwater is expected to flow towards Lake Michigan located approximately 1,000 feet east of site.

3.0 SITE HISTORY

3.1 Overview

According to various historical sources detailed in the following sections, the site was a part of Lake Michigan until the late 1800s. In 1891, the site was filled and vacant. In 1908, several stockpiles of old lumber occupied the southeastern portion of the site. Between 1914 and 1948, three buildings were constructed on the site. In 1914, the Chicago Title and Trust Company building (333 East Ohio-also known as 341 East Ohio) was constructed on the northern portion of the site and was used to house numerous supply and wholesale distributors. In 1916, two buildings (351 East Ohio Street) were constructed in the northeastern portion of the site and housed shipping and receiving operations for several corporations. Other operations at 351 East Ohio in 1917 included the Podbielniak Incorporated experimental lab, manufacturing, and a machine shop. In the late 1920s and early 1930s, the 351 East Ohio building housed several printing and lithography operations and a waxed paper manufacturer. In 1948, Velsicol Chemical Corporation (Velsicol) constructed a building (330 East Grand) on the southern portion of the property for office and laboratory use.

Previous reports indicate that Velsicol operated all of the site buildings as their corporate headquarters and as research and development laboratories for herbicides, insecticides, and plant growth regulators from 1947 to 1988. However, a modified historical map indicates that Velsicol was present at the site as early as 1917. According to VISTA representatives, this map appeared to be altered in the area of the building name and may be the result of a revision at a later date.

In 1986, Velsicol sold its business to Sandoz Crop Protection Corporation (Sandoz). Sandoz maintained operations similar to those of Velsicol until November 1988 when the entire facility was demolished. From 1988 until the late 1990s, the site was operated by the General Parking Corporation as a parking lot. Given the industrial nature of the previous operations at the site and the significant length of time of operation, there is a potential for subsurface impacts to be present from spills or releases that may have occurred. Subsurface investigations performed in the southern and eastern portions of the site did not identify any significant impacts other than from the fill materials. No subsurface investigations have been completed in the northwestern portion of the site to evaluate the potential impacts from the industrial use of the site.

The surrounding area was also a part of Lake Michigan until the late 1800s. In 1891, the surrounding area to the north and west were developed with multi-family residential buildings, and the properties to the south were developed as a foundry and a varnish factory. No additional historical information was available on the southern properties

until 1968 when the properties were occupied by a parking lot. The property to the east was developed in 1911 for a book bindery operation. Between 1917 and 1950 the surrounding properties were developed for warehouses and manufacturing purposes. The property to the west was re-developed as a gasoline service station in 1950 and in 1968 it was developed as the Chicago Time Life Office Building. The area to the north was re-developed as McClurg Court Center in 1971 and the area to the east was occupied by the Rehabilitation Center of Chicago. Based on the historical presence of manufacturing activities, the gasoline service station, and the significant length of time of industrial operation at the surrounding properties, there is a potential for impact to the subject site from spills or releases that may have occurred during the historical use of the adjoining properties.

The ASTM Standard requires historical uses of a property to be evaluated from the present back to 1940 or the earliest developed use, whichever is earlier. Under the Standard, "developed use" includes agricultural use and fill placement. The historical information reviewed for the property met the ASTM Standard.

3.2 Historical Fire Insurance Maps

A search of historical fire insurance maps for the site was conducted VISTA Information Solutions, Inc. (VISTA). Historical fire insurance maps are scaled drawings that indicate the location and use of building structures present in a given area from as early as the late 1800s. The maps provide information regarding the development and historical use of site structures and can indicate the historical presence of tanks at the site. Historical maps were available for the subject site for 1891, 1906, 1917, 1950, 1975, and 1988. The maps are provided in Appendix C and summarized as follows:

1891: The site appears vacant. Properties to the north are developed with multi-family residential buildings. The street to the south is depicted as Indiana Avenue and the properties farther to the south are developed as the Lake Shore Foundry and The Watts Company (a varnish factory). Properties to the east and west are not depicted.

1906: The site appears to be occupied by several stockpiles of old lumber in the southeastern portion of the site. The remainder of the site is depicted as vacant. The properties to the north remained residential buildings with the exception of the eastern portion of the property which was depicted as vacant. The property to the west is depicted with a multi-family residential building. Properties to the east and south were not depicted.

- 1917:* The site is depicted with two buildings in the northeastern portion of the property and the Chicago Title & Trust Company adjacent to the east of the two buildings. The remainder of the site is vacant. The map is labeled Velsicol Chemical Corporation. However, the map appears to have been altered which may be the result of a revision at a later date according to VISTA. The property to the north is depicted with the Druggist Specialties, Toys and Mill Construction warehouse. The property to the northeast is depicted as the Callaghan & Company Warehouse & Law Book Factory and the property to the southeast is depicted as vacant. The street to the south is depicted as Grand Avenue (formerly Indiana Avenue). The property to the south and west are not depicted.
- 1950:* The site is depicted as it was in the 1917 map with the exception of the southern portion of the property where the Velsicol Chemical Corporation offices and laboratory building are present along Grand Avenue. The new building along Grand Avenue is depicted with an oil storage area located in the western portion of the building. The properties to the north are depicted as warehousing, a wholesale bookstore, and offices associated with a photo studio. The properties to the east appear the same as they did in the 1917 map with the exception of the southeast portion which is depicted as a wholesale store. The property to the south is not depicted. A gasoline service station is adjacent to the northwest of the site.
- 1975:* The site is depicted as it was in the 1950 map. The properties to the north are depicted as McClurg Court Center and the properties to the east are depicted as the Rehabilitation Center of Chicago. The properties to the south are not depicted. The Chicago Time Life Office Building is depicted to the west.
- 1988:* The site and surrounding areas to the north and west are depicted as they were in the 1975 map. The property to the east is vacant and the property to the south is not depicted.

3.3 Aerial Photographs

GaiaTech reviewed aerial photographs of the site and surrounding areas for the years 1968, 1970, 1981, 1988, and 1995. The 1968, 1970, 1988, and 1995 aerial photographs were obtained from the Northeastern Illinois Planning Commission. The 1981 aerial photograph was available from the North Cook County Natural Resource and Conservation Service. The aerial photographs are summarized below. Copies of the aerial photographs are included in Appendix D.

- 1968:* The subject site is depicted with three buildings and associated parking in the southeastern and northwestern portions of the property. The adjoining property to the north is depicted with two large buildings and parking to the northeast. Two buildings and parking lots are depicted adjoining to the east and the southern adjoining property is depicted as a parking lot. The adjoining property to the west appears to be under construction.
- 1970:* The subject site and surrounding properties appear substantially the same as in the 1968 photograph with the exception of the northern and western adjoining properties. The northern adjoining property appears vacant and the adjoining property to the west is depicted with a high rise.
- 1981:* The subject site and western adjoining property appear substantially the same as in the 1970 photograph. The northern adjoining property is depicted with a building and the eastern and southern adjoining properties that appear vacant.
- 1988:* The subject site and surrounding properties appear substantially the same as in the 1981 photograph.
- 1995:* The subject site is depicted as a parking lot. The surrounding properties appear substantially the same as in the 1988 photograph.

No environmental concerns were identified at the site in the aerial photographs. No physical evidence of potential impacts to the site from the adjoining properties was identified in the aerial photographs. It should be noted that the clarity and small scale of the 1981 photograph did not allow for a detailed inspection of the subject site and surrounding area.

3.4 Local Agency Information and Site Documentation

To identify if there have been any storage tanks, fires, spills, hazardous materials incidents, and/or building inspection concerns or violations at the site, GaiaTech submitted Freedom of Information Act (FOIA) Requests to City of Chicago Building Department, Illinois Office of the State Fire Marshal (OSFM), and Chicago Department of Environment (CDOE). In addition, GaiaTech submitted a FOIA request to the Illinois Environmental Protection Agency (IEPA) and the United States EPA (USEPA) Region V, for information pertaining to the site.

The CDOE indicated that records in their files associated with the site pertain to three USTs that were removed from the site in 1988 (further discussed in Section 4.2a).

As of this report, no additional FOIA responses have been received. Upon receipt, all information will be reviewed and if any of the information alters the conclusions within this report, the information will be summarized and presented under separate cover.

3.5 Prior Environmental Reports

The following reports document environmental assessments at the site between 1988 and 1993. The text portions of the prior environmental reports are included in Appendix E. The findings and conclusions of each report are summarized as follows:

1988 STS Report

- Velsicol and Sandoz operated three buildings at the site from 1948 until 1988. A container storage area (CSA) and two wastewater treatment units (WTU) were present at the site. The CSA was located at the west end of 330 Grand Avenue and was a permitted Resource Conservation and Recovery Act (RCRA) hazardous waste storage facility. The WTUs were present within the 330 E. Grand building and the 351 Ohio street (exact location unspecified). In addition, a ceramic neutralizing sump for treatment of laboratory sink discharges prior to discharge to the city sewer was located in the basement of the 351 Ohio building. Laboratory wastes were routinely neutralized prior to discharge from the building. If the waste could not be neutralized, it was stored in the RCRA CSA. Clean closure was applied for and obtained by Sandoz-Velsicol for the RCRA CSA. In addition, the WTUs were also closed in 1988.
- Fill materials placed along the lake front which includes the site contains coal tar compounds as a result of cinders and ash.
- Two 8,000-gallon USTs were previously located outside the north side of the building at 330 E. Grand. The tanks contained fuel oil and were removed on August 4, 1988. The USTs were purged and cleaned prior to STS' arrival on the site. STS observed the removal of the two USTs. Visual observation of the removed tanks did not identify any holes in the USTs. The excavated soils and pit did not have any petroleum odors, and no free product or stained soils were observed. Excavated soils were screened with a Photoionization Detector (PID) for volatile organics. No vapors were detected during the screening of the soil samples.
- A third UST was identified in the loading dock area of the 333 East Ohio Street building. At the time of the STS report, this UST had not been removed.

- STS installed nine soil borings, three of which by hand augering, and collected nine soil samples. In addition, a groundwater monitoring well was installed. The soil borings were located in the area of the previous buildings and the groundwater monitoring well was located approximately 2 feet north of the third UST identified at 333 East Ohio Street (See Appendix A for Soil Boring Location Diagram).
- A groundwater sample was collected from the well and soil samples were collected from the borings and analyzed for volatile organic compounds (VOCs), herbicides, pesticides, and base/neutral and acid extractable compounds. The analytical results indicated that all tested parameters were below detection limits except for herbicides, pesticides, and low levels of polynuclear aromatic (PNA) compounds. The PNAs are characteristic of the coal tar compounds in the fill which is present throughout the site and surrounding area. One soil sample from the UST excavation showed trace levels of herbicides and pesticides. However, it was concluded that the levels present do not represent a significant environmental impairment.

1991 PSI Report

- Site history indicates the placement of fill which includes potentially adverse components such as cinders. Extensive prior testing of site fill did not indicate significant contamination of these fill materials. However, there remains concern related to the types of tests which were conducted. Toxicity Characteristic Leaching Procedure (TCLP) testing was not performed. In order to characterize the fill material, it would be appropriate to perform TCLP testing.
- Three previous environmental reports were reviewed during preparation of the PSI report. Two were prepared by STS (August 18, 1988 and September 27, 1988) and one was prepared by MAECORP (date unknown, but issued between the STS reports). In addition, three follow up letter reports (two, dated August 21 and one, dated August 22, 1990) were reviewed.
- The follow-up letter dated August 22, 1990 indicated that STS investigated the site and identified three USTs, observed their removal and did not identify any evidence of impacts from the USTs.

1993 PRC Report

- This report, prepared for the USEPA, identified three solid waste management units (SWMUs) that included the former CSA and the two WTUs.
- The former CSA was a 30-by-32 foot room with a concrete floor. The room was enclosed by brick walls and steel roof. No floor drains were present. During the RCRA closure in 1988, several hairline cracks were observed in the concrete floor. However, there was no evidence of releases in the CSA. The CSA managed spent solvents, surplus reagents and intermediates, and commercial pesticide products. Wastes were stored in laboratory packs until they were shipped off site for disposal. No releases from this CSA have been documented. The CSA was operated from 1947 until 1988 when it was removed and received RCRA closure.
- The WTU at 330 Grand consisted of a 55-gallon, plastic tank containing limestone located indoors on a concrete floor. This unit was in operation from 1985 until 1988 and it provided pH adjustment for wastewaters from laboratory sinks and washup areas before the wastewaters were discharged to the municipal sanitary sewer system. The volume of wastewater passing through the unit was small, and no information was available on the composition of the wastewaters. No releases from this unit have been documented. The unit was closed and removed in 1988.
- The WTU at 351 Ohio consisted of two ceramic tanks containing limestone located indoors on a concrete floor. This unit was in operation from 1975 until 1988 and it provided pH adjustment for wastewaters from laboratory sinks and washup areas before the wastewaters were discharged to the municipal sanitary sewer system. The volume of wastewater passing through the unit was small, and no information was available on the composition of the wastewaters. No releases from this unit have been documented. The unit was closed and removed in 1988.

4.0 SITE INSPECTION

4.1 Raw Materials and Chemical Use and Storage

GaiaTech did not observe any use or storage of chemicals at the site during the visual inspection. No evidence of significant chemical spills or releases was identified at the site.

4.2 Storage Tanks

a) Underground Storage Tanks (USTs)

GaiaTech did not observe any evidence of USTs, such as vent pipes or fill ports, at the site during the site inspection. The site is not listed in either the Illinois UST or leaking UST databases (Section 5.0).

However, according to the Chicago Department of Environment, a permit was issued in 1987 to remove three USTs from the site. Two 8,000-gallon gasoline USTs located at 333 East Grand and one 10,000-gallon fuel oil UST located at 341 East Ohio were removed in 1988. STS observed the removal of the two 8,000-gallon USTs.

A follow-up letter (included in the PSI report) dated August 22, 1990 represented that STS observed the removal of 3 USTs and did not identify any evidence of UST spills or releases. However, the September 27, 1988 STS report was not available.

GaiaTech has submitted FOIA requests to the OSFM, IEPA, and USEPA. No response has been received. Upon receipt, all information will be reviewed and if any of the information alters the conclusions within this report, the information will be summarized and presented under separate cover.

b) Aboveground Storage Tanks (ASTs)

No current ASTs were identified at the site. No physical evidence of any previous ASTs, such as suspect concrete pads or supports, was identified at the site. In addition, no ASTs were identified at the site during GaiaTech's review of aerial photographs.

4.3 Solid Waste

No hazardous or non-hazardous waste is generated, treated, or stored at the site. The site is listed in the environmental database search (Section 5) as a small quantity generator (SQG) and large quantity generator (LQG) of hazardous waste based on the previous operations conducted by Velsicol Chemical Corporation at the site (Discussed in Section 3.0). No violations are associated with the SQG or LQG listings. No evidence of the on-site disposal of any waste was observed at the time of the site inspection

4.4 Wastewater Discharges

No wastewater is currently generated at the site. No evidence of septic systems was identified during the investigation.

4.5 Storm Water Discharges

Storm water runoff is directed to catch basins located in the paved parking areas or to storm water drains located on the streets. The catchbasins discharge to the municipal storm water sewer system. During the site inspection, no evidence of impact to storm water quality was observed.

4.6 Air Emissions

No regulated air emissions sources were identified at the subject site, and no air emissions sources with a potential to impact the site were identified.

4.7 Asbestos-Containing Materials (ACM)

As no structures were identified at the site, no typically suspect ACM was identified to be present at the site.

4.8 Polychlorinated Biphenyls (PCBs)

PCBs can be present in older dielectric fluids in electrical equipment such as transformers, capacitors, and switchgear, and also in certain hydraulic oils and

quenching fluids. No potential PCB-containing equipment was observed at the site at the time of the site inspection.

5.0 ENVIRONMENTAL DATABASE SEARCH AND REVIEW

A search report of Federal and State environmental databases was reviewed to determine if the subject site is listed or any of the adjoining or nearby properties are listed and have the potential to adversely impact the subject site. A copy of the database search report, which includes the definitions of each of the databases searched, is provided in Appendix F.

The database search was conducted by VISTA according to the ASTM-designated search parameters. Where ASTM requires adjacent facilities to be identified, the search parameter was extended to 0.125 or 0.25 mile to allow for a more complete search. The database may include addresses that cannot be accurately plotted due to a lack of address information as "unplottable" or "orphan" sites. These sites were reviewed by GaiaTech to identify if any of the sites are located in the immediate vicinity of the subject site, based on field observations. Where identified, such sites are included in the discussion below.

The subject site was listed on the environmental database search report. As discussed previously in Section 4.3, the site was listed as small-quantity and large-quantity generator of hazardous waste. In addition, the site was listed as a Comprehensive Environmental Response, Compensation, and Liability Act-No Further Remedial Action Planned (CERCLIS-NFRAP) and as a Resource Conservation and Recovery Act - treatment, storage, and disposal facility (RCRA-TSD) site. As discussed in previous sections, these listings are a result of the previous activities conducted at the site by the Velsicol Chemical Corporation. Given the industrial nature of the previous operations at the site and the significant length of time of operation, there is a potential for subsurface impacts to be present from spills or releases that may have occurred. The search report information with regard to facilities located in the vicinity of the subject site is summarized below.

- *National Priorities List (NPL): inventory of sites classified as requiring Federal Superfund Cleanup actions. Searched to a 1.0-mile radius from the subject site.*

Zero (0) NPL facilities were identified within the search radius.

- *Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS): database of facilities and/or locations that are or have been investigated by the United States Environmental Protection Agency (US EPA) or associated state environmental agencies to ascertain the presence of potential or existing contamination. Searched to a 0.5-mile radius from the subject site.*

One (1) CERCLIS facility was identified within the search radius. Lindsay Light II is located 0.07 mile southwest of the subject site. According to the internet Right-to-Know database, this facility has a "cleanup action" status and is not listed on the NPL. Based

on the cross-gradient location of this facility with respect to the subject site, the potential for this facility to impact the subject site is low.

- *No Further Remedial Action Planned Sites (NFRAP): facilities and/or locations which have been removed from the CERCLIS database. Such facilities may either be locations where either no contamination was found, contamination was removed quickly without need for the site to be placed on the NPL, or the contamination was not serious enough to require federal Superfund action or NPL consideration. ASTM does not require this database to be searched. Searched to a 0.5-mile radius from the subject site.*

One (1) NFRAP facility was identified within the search radius. Great Lakes Limited Partnership (SIA) is located 0.11 mile east of the subject site. Based on the downgradient location of this facility from the subject site, the potential for this facility to impact the subject site is low.

- *Resource Conservation and Recovery Act (RCRA) – Treatment, Storage and Disposal (TSD) Facilities: permitted facilities and/or locations, which treat, store, or dispose of hazardous wastes. Searched to a 0.5-mile radius from the subject site.*

Zero (0) TSD facilities were identified within the search radius.

- *RCRA - Large-Quantity Generators (LQGs): facilities and/or locations that generate over 1,000 kilograms (kg) of hazardous waste per month. ASTM requires generators adjacent to the subject site to be identified. Searched to a 0.125-mile radius from the subject site.*

Zero (0) LQG facilities were identified within the search radius.

- *RCRA - Small-Quantity Generators (SQGs): facilities and/or locations that generate less than 1,000 kg but more than 100 kg of hazardous waste per month. ASTM requires generators adjacent to the subject site to be identified. Searched to a 0.125-mile radius from the subject site.*

Eight (8) SQG facilities were identified within the search radius. McClurg Court and Holiday Inn are located adjacent to the subject site. According to the database, neither of these facilities has any RCRA violations. Based on the status and the quantity of waste reported to be generated by these facilities, the potential for these facilities to impact the subject site is low.

- *RCRA - Corrective Action Sites (RCRA-CA): facilities and/or locations that are currently conducting or have conducted corrective actions under RCRA. Searched to a 1.0-mile radius from the subject site.*

Zero (0) RCRA-CA facilities were identified within the search radius.

- *Emergency Response Notification System (ERNS): database of information on reported releases of oil and hazardous substances. The list identifies those facilities and/or locations that have been reported to federal agencies, including the Coast Guard, the US EPA, or Department of Transportation. ASTM requires a search for the subject site only. Searched to a 0.125-mile radius from the subject site.*

Two (2) ERNS facilities were identified within the search radius. The closest facility, 405 North McClurg Court, is located 0.01 mile south of the subject site and the spill reportedly was discharged into the Chicago River. The remaining facility, Canal Barge Company, is located 0.07 mile southwest of the subject site. Based on the nature of the spills and the crossgradient locations of these facilities with respect to the subject site, the potential for these facilities to impact the subject site is low.

- *Underground Storage Tank Data Listing (UST or RST): contains information pertaining to all registered active and inactive USTs located within the State. ASTM requires adjacent USTs to be identified. Searched to a 0.25-mile radius from the subject site.*

Seventeen (17) UST facilities were identified within the search radius. Based on GaiaTech's field observations, none of these facilities are located adjacent to the subject site.

- *Leaking Underground Storage Tank Report (LUST or LRST): comprehensive listing of all reported leaking USTs located within the State. Searched to a 0.5-mile radius from the subject site.*

Twenty-six (26) LUST facilities were identified within the search radius. The closest facility, Neo Medica Inc., is located 0.05 mile east of the subject site. Based on the downgradient location of this facility to the subject site, the potential for this facility to impact the subject site is low.

Based on the status and/or distance and the downgradient location of the remaining LUST facilities with respect to the subject site, the potential for any of them to impact the subject site is low.

- *Solid Waste Facilities (SWF) List: comprehensive listing of all permitted solid waste landfills and processing facilities operating within the State. Searched to a 0.5-mile radius from the subject site.*

One (1) SWF facility was identified within the search radius. The database identified this facility as the Municipal Pier. As discussed in Section 2.4, the site area's subsurface contains cinder and ash fill materials. A potential exists for the subsurface to contain hazardous concentrations of these materials.

- *State Equivalent to Federal CERCLIS or NPL (SPL and SCL): a registry of sites suspected or confirmed of posing a hazard to public health and/or the environment. Searched to 1.0 mile for SPL and 0.5 mile for SCL sites.*

Zero (0) SPL facilities were identified within the search radius.

Two (2) SCL facilities were identified within the search radius. The closest facility, Northwestern Memorial Hospital, is located 0.25 mile northwest of the subject site. The remaining facility, Navy Pier, is located 0.36 mile east of the subject site. Based on the distances and/or cross and downgradient locations of these facilities from the subject site, the potential for these facilities to impact the subject site is low.

In summary, no nearby facilities with a significant potential to impact the subject site were identified on any of the environmental databases searched with the exception of the general presence of cinder and ash fill materials in the site area.

6.0 FINDINGS AND CONCLUSIONS

Based on the information obtained during the completion of the Phase I ESA, the following actual or potential environmental impacts or concerns were identified at the site:

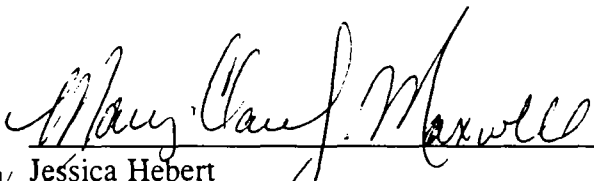
- **On-Site Fill Materials:** Previous reports and historical information indicate that fill materials containing cinders and ash comprising a significant portion of the site area are present. The fill materials have not been properly characterized to date to determine the appropriate procedures for disposing of the fill properly prior to development of the site.
- **Historical Industrial Use:** Given the industrial nature of the previous operations at the site and the significant length of time of operation, there is a potential for subsurface impacts to be present from spills or releases that may have occurred.

7.0 SIGNATURES OF ENVIRONMENTAL PROFESSIONALS

This Phase I Environmental Site Assessment (ESA) Report documents the research methodology used by qualified environmental professionals in GaiaTech to identify significant potential environmental impacts associated with the 2.2-acre property located at the southwest corner of Ohio Street and McClurg Court in Chicago, Illinois.


GaiaTech performed this PER in accordance with industry standards, including the procedures described in the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessments (E 1527) with the additions indicated in the Scope of Work and the Aldrich, Eastman and Waltch, LP (the AEW Scope of Work).

Prepared By:


for Jessica Hebert
Environmental Consultant

3/8/00
Date

Technical Review and Concurrence By:


Peter R. Buchwald
Manager of Assessments

3/8/00
Date

CB
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